

SECOND CLASS POSTAGE
PAID AT ST. PAUL, MN

No. 10C

January 1991

U.S. CODE

Congressional & Administrative News

101st Congress

2nd Session ~ Public Laws

101-647 to 101-650 ~ 104 Stat. 4789 to 5137

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OMNIBUS BUDGET RECONCILIATION ACT OF 1990

P.L. 101-508, see page 104 Stat. 1388

DATES OF CONSIDERATION AND PASSAGE

House: October 16, 27, 1990 Senate: October 19, 27, 1990

House Report (Budget Committee) No. 101-881, Oct. 16, 1990
[To accompany H.R. 5835]

House Conference Report No. 101-964, Oct. 27, 1990
[To accompany H.R. 5835]

Cong. Record Vol. 136 (1990)

No Senate Report was submitted with this legislation. The House Report is set out below and the House Conference Report follows.

HOUSE REPORT NO. 101-881

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HOUSE CONF. REP. NO. 101-964

HOUSE CONFERENCE REPORT NO. 101-964

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JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF
CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5835) to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for fiscal year 1991, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—AGRICULTURE

SUBTITLE A—COMMODITY PROVISIONS

(1) Triple base. (H. 1101, S. 1101)

The House bill establishes a triple base program for wheat, feed grains, cotton and rice to reduce the acreage on which deficiency payments will be made. The House bill provides that the base reduction percentage be 15 percent in each of crop years 1992 and 1993, 20 percent in crop year 1994 and 25 percent in crop year 1995. The House bill also specifies the crops which may be grown on acreage on which producers receive no deficiency payments and provides that program crops grown on unpaid acres be eligible for loans under the Agricultural Act of 1949.

The Senate amendment has similar provisions, but provides for a base reduction of 15 percent in each of the 1992 through 1995 crop years.

The Conference substitute deletes both provisions and amends sections 301, 401, 501, and 601 of the Food, Agriculture, Conservation, and Trade (FACT) Act of 1990 to reduce base acreage eligible for deficiency payments from 100 percent to 85 percent for each of crop years 1991 through 1995, effecting a 15 percent triple base program in each year. The Conference substitute does not alter the option of winter wheat producers participating in the 1991 crop wheat program under the FACT Act of 1990 to choose either the 15 percent triple base provisions or to receive payments on 100 per-

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Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

TITLE XIII—BUDGET ENFORCEMENT

BUDGET ENFORCEMENT ACT OF 1990

The conference agreement adds new enforcement mechanisms for discretionary spending entitlements, and receipts to preserve the deficit reduction achieved by this Act over the next five years. The conference agreement adds a pay-as-you-go mechanism to ensure that any new entitlement or receipt legislation will not increase the deficit. The conference agreement also sets forth limits (caps) on discretionary spending provided in the annual appropriations process for each of fiscal years 1991 through 1995, and enforces these through a mechanism to require across-the-board cuts within any category to make up for any overages. To enforce deficit targets in fiscal years 1994 and 1995, the conference agreement extends the existing Gramm-Rudman-Hollings mechanism through fiscal year 1995, but with new procedures to allow adjustment for revised economic and technical estimates, in 1994 and 1995 at the President's option.

I. ENFORCING DISCRETIONARY SPENDING LIMITS

Current law

Under the Congressional Budget Act of 1974, the Senate and the House of Representatives limit discretionary spending primarily through overall allocations to their respective Appropriations Committees in the joint statement of the managers accompanying the concurrent resolution on the budget. These allocations, made pursuant to section 302(a) of the Congressional Budget Act of 1974, are sometimes called "302(a)s" or "crosswalks." All committees must then divide these allocations among their subcommittees or programs. The Committees on Appropriations—which have jurisdiction over discretionary spending—must divide the allocations among their 13 subcommittees (including their Subcommittees on Defense and on Foreign Operations) under section 302(b) of the Congressional Budget Act. A point of order (requiring 60 votes to waive in the Senate and a simple majority to waive in the House) lies against any legislation that would cause spending to exceed these subdivided limits.

House bill

The House bill sets forth, in a new section of the Congressional Budget Act, limits for discretionary spending in three categories—defense, international, and domestic—for fiscal years 1991 through 1993, and in one category—discretionary spending—for fiscal years 1994 and 1995. The House bill creates a new mechanism for across-the-board cuts—called "sequestration"—within a category if discretionary spending for a fiscal year exceeds spending in that category. The President orders these cuts for that fiscal year within 15 days after the end of a session. Under a "look-back" procedure, if

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P.L. 101-508

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legislation is enacted for that fiscal year in the next session that causes spending to exceed a category's limit, then the applicable spending limits for the next fiscal year are reduced accordingly, and a further sequestration occurs unless appropriations legislation adjusts spending downward.

The initial limits proposed by the House include separate amounts of new budget authority and outlays by category (for fiscal years 1991 through 1993) and by total (for fiscal years 1994 and 1995).

The House bill provides that the President shall adjust the spending limits in the annual budget submission for changes in concepts and definitions, inflation, credit reestimates, Internal Revenue Service compliance funding, debt forgiveness, International Monetary Fund funding, Presidentially-determined emergencies, and for limited defined special allowances.

Senate amendment

The Senate amendment sets forth as a freestanding part of the Omnibus Budget Reconciliation Act of 1990 limits for discretionary spending in the same categories and for the same years as in the House bill. The Senate amendment also creates a new mechanism for across-the-board cuts—called “sequestration”—within a category if discretionary spending exceeds spending for that category. In the Senate amendment, however, the President orders these cuts on November 15 for appropriations bills enacted before November 1 or after June 30 of a fiscal year, or 15 days after enactment for bills enacted between October 31 and July 1.

The initial limits on discretionary spending proposed by the Senate are the same as those proposed by the House. As does the House bill, the Senate amendment provides that the President may adjust the spending limits in the annual budget submission for changes in inflation, credit reestimates, Internal Revenue Service compliance funding, International Monetary Fund funding, Presidentially-determined emergencies, and for limited defined special allowances.

The Senate amendment allows for changes in the definition of “budget authority” (which it changes elsewhere)—but not changes in other concepts and definitions, and allows for adjustment for debt forgiveness for the Arab Republic of Egypt and the Polish government—but not other debts.

Conference agreement

The conference agreement establishes the limits on discretionary spending by category, as proposed by the House and Senate, as a new title VI of the Congressional Budget Act of 1974.

The initial limits on discretionary spending are as follows (in billions of dollars):

	Fiscal year—				
	1991	1992	1993	1994	1995
Defense:					
Budget authority.....	288.918	291.643	291.785		
Outlays.....	297.660	295.744	292.686		

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	Fiscal year—				
	1991	1992	1993	1994	1995
International:					
Budget authority	20.100	20.500	21.400		
Outlays	18.600	19.100	19.600		
Domestic:					
Budget authority	182.700	191.300	198.300		
Outlays	198.100	210.100	221.700		
Total discretionary:					
Budget authority				510.800	517.700
Outlays				534.800	540.800

The President shall adjust the spending limits according to the method proposed by the House, except with regard to limited defined special allowances. The conference agreement accepts the Senate approach for adjustments for the International Monetary Fund and debt forgiveness. The special allowances authorize the President to adjust the spending limits for new budget authority and associated outlays by specified percentages, depending on the spending category and the fiscal year. Outlay limits for categories of discretionary spending also shall be increased by specified dollar amounts so long as the budget authority limits for the applicable categories are not breached; this special outlay allowance insulates the legislative process from estimating differences.

The conference agreement accepts a compromise mechanism for initiating across-the-board spending cuts if discretionary spending limits are breached. During the session in which the fiscal year begins, the enactment of legislation causing a breach in the spending limits of any category would trigger a presidential sequestration order that would impose across-the-board cuts in that category bringing spending down to the established limits. This presidential sequestration order would be issued within 15 days after the end of a session of Congress. During the following session, the enactment of legislation causing a breach in the spending limits would trigger sequestration 15 days after enactment if the legislation were enacted before July 1, or would reduce the applicable spending limits for the next fiscal year by the amount of the breach if the legislation were enacted on or after July 1.

II. ENFORCING PAY-AS-YOU-GO

Current law

Under current law, the Senate and the House of Representatives limit entitlements through spending allocations to their respective authorizing committees in the joint statement of the managers accompanying the concurrent resolution on the budget, just as with discretionary spending. A point of order (requiring 60 votes to waive in the Senate and a simple majority to waive in the House) lies against any new entitlement program that would cause spending to exceed limits that flow from these allocations. Similarly, the concurrent resolution on the budget sets a revenue floor, and a point of order (requiring 60 votes to waive in the Senate and a simple majority to waive in the House) lies against any tax-cutting